

DRAFT MODIMOLLE- MOOKGOPHONG LOCAL MUNICIPALITY



TRAVELLING ALLOWANCE POLICY

FOR YEAR 2020/2021

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1. PREAMBLE

This document details Modimolle-Mookgophong Municipality's policy and procedures regarding Car Allowance. The Policy applies to all categories of staff employed by Modimolle-Mookgophong Municipality as outlined below. Variations to the policy may be considered in special circumstances, but all variations require the prior approval of the Council.

2. PURPOSE

The aim of this policy is to regulate the granting of Travelling and subsistence allowance to the employees of Modimolle-Mookgophong local municipality

3. OBJECTIVES

- 3.1 To regulate payment of travel allowances to Modimolle-Mookgophong Local employees, who have to travel in the execution of official duties.
- 3.2 To establish uniform directives, procedures, conditions and limitations according to which the Travelling and subsistence allowance can be paid
- 3.3 To establish procedures and conditions under which employees can use their private vehicles in the execution of the official duties.

4. LEGISLATIVE FRAMEWORK

- 4.1 Municipal Systems Act,
- 4.2 Municipal Structures Act
- 4.3 Basic Conditions of Employment Act
- 4.4 Labour Relations Act,
- 4.5 Employment Equity Act
- 4.6 Delegations of Power

5. DEFINITIONS

- 5.1. **“Travelling allowance”** fixed amount which is paid monthly to employees.
- 5.2. **“Running costs”** maintenance and fuel costs
- 5.3. **“Private transport”** an employee's own transport requested for official duties
- 5.4. **“Adhoc allowance”** is a temporary allowance for reimbursement of kilometers travelled by private vehicle

All terminology in this policy shall bear meaning as in applicable legislation

6. SCOPE OF APPLICATION

This policy shall apply to the following employees:

- 6.1 Municipal Manager
- 6.2 Fixed term Contract employees
- 6.3 Sec 57 Managers
- 6.4 Divisional Managers
- 6.5 Other employees based on the nature of their duties

7. ALLOCATION OF TRAVELLING ALLOWANCE

- 7.1 The allocation of Travelling and subsistence allowances to employees is mainly informed by the functions and duties that they perform. However, the following positions shall automatically qualify for the allowances:
 - The Municipal Manager and Sec. 57 Managers (Benefit)
 - Divisional Managers (Benefit)
 - Other employees based on the nature of their duties
 - Upon approval of this policy by the municipal council, all Traffic Officers who have travelling allowance will be regarded as personal to holder of the Travelling Allowance and thereafter the municipality will provide branded municipal traffic vehicles to all new traffic officers.
- 7.2 The Municipal Manager, Section 57 Managers and fixed term contract employees who qualify have the latitude of structuring their motor vehicle allowance as a condition of their employment contracts.
- 7.3 An employee occupying a post other than those mentioned above should initiate the application for travelling allowance to the Divisional and Senior Managers who should motivate to the Travelling Allowance Committee and subsequently recommend to the Municipal Manager for approval. Failure to non-compliance to the above mentioned process will be regarded as unauthorized approval which the agreement or travelling allowance granted to an applicant will be declared null and void ab initio.
- 7.4 The recommendation by the Travelling Allowance Committee must be approved by the Municipal Manager or his/her delegate.
- 7.5 Allocation of travelling allowance of other employees may be reviewed if the duties of that position change.

- 7.6 Senior Managers, Managers and all employees allocated a Travelling allowance must have the vehicle on which a travel allowance is paid, available for the execution of official duties at all times. All officials receiving travelling allowance mentioned above will not be allowed to use municipal vehicle.
- 7.7 All Senior Managers must ensure that adequate budgetary provisions are made for all posts that qualify for an allowance during the budgetary process.

8. PAYMENT AND CALCULATION OF AD HOC TRAVEL ALLOWANCES

8.1 Ad hoc allowances are remunerated in accordance with pre-determined distances.(No fixed allowance will be paid to ADHOC allowance beneficiaries)

8.1.1. These employees when travelling with privately owned vehicles will be reimbursed for official kilometers travelled on the applicable rate limited to a maximum of 2500cc vehicle within or outside the Modimolle-Mookgophong Municipality.

8.1.2. Log sheets must be kept and submitted with a completed transport and subsistence claim form to the Expenditure Division subjected to the necessary approval.

8.1.3 This calculation basis also refers to employees not appointed in positions linked to the travel allowance scheme but who are required from time to time to undertake official ad-hoc trips with private transport.

8.1.4 Private vehicles should only be used when official transport is not available or where it will be more cost-effective for the employee to use his/her private vehicle. However, these trips must be limited to absolute essential trips only and official transport should be used as far as possible.

8.1.5 All running costs for adhoc travelling will be reimbursed whether within or outside the jurisdiction of Modimolle-Mookgophong Municipality.

8.1.6 Officials trips must be pre-approved by the relevant Manager.

8.1.7 Travel between residence and work will not be compensated;

8.1.8 Adhoc travelling allowance should not be granted for a period that exceed four (4) calendar months as it is a temporary arrangement.

8.1.9 The municipality will give such employee one month written notice for the termination of the Adhoc travelling allowance.

8.1.10 The municipality will give such employee one month written notice for the termination of the Adhoc travelling allowance.

9. TERMINATION OF A FIXED TRAVELLING ALLOWANCE

9.1 If an employee, who is an incumbent of a position linked to the travel allowance, is transferred by the municipality to another position not linked to a travel allowance and such transfer was not requested by the employee, it will be a personal to incumbent until such position become vacant.

9.2 Should an employee, who is occupying an allowance bearing position request a transfer to another position not bearing any travelling allowance shall not be payable from the date of transfer.

9.3 Should the Municipality decide to withdraw an employee's travelling allowance for reasons other than those set the Municipality must after consultation with such an employee, give 6 months written notice of the withdrawal of the travelling allowance.

9.4 Payment of the allowance will be terminated immediately if the employee decides to dispose of the vehicle for which travelling allowance was received.

9.5 If the employee is demoted or transferred based on act of misconduct, the municipality will give such employee six months written notice for the termination of the allowance.

BUDGET AND TREASURY INPUTS

10. DETERMINATION OF KILOMETER DISTANCE FOR TRAVELLING ALLOWANCE BEARING POSTS

Eligible employees for transport allowances will be paid in terms of a maximum kilometer limit as determined below:

- Post level 1A -1 = 1 200km p/m
- All traffic officers (personal to holders) irrespective of post level shall qualify for 900km p/m.

11. Determination of the kilometer distances for new applications

11.1 The municipality shall determine the average kilometer per month and communicate the decision in writing to the incumbent.

Fixed average kilometer, limit per month for employees excluded in section 10 Above are as follows:

	MAXIMUM KILOMETERS PER MONTH	POST LEVEL
1	900	2
2	750	3-4
3	500	5 AND BELOW

12. The payment of a monthly running transport allowance to the various incumbents is however subject to the following conditions:

- That no official transport is provided to such incumbents;
- Trips between residence and work are not compensated;
- That all other requirements contained in this policy are complied with.

13. PAYMENT OF TRAVEL ALLOWANCE TARIFF

13.1 The travel allowances shall be determined based on the annual salary of employee and not of the purchase price of the vehicle, the recent or latest Department of Transport Tariffs for the use of Motor Transport Schedule for calculation of Fixed Cost as well as the AA rates for Operating cost.

13.2 The travel allowances shall be adjusted annually with the same percentage of salary increase as determined by SALGA for all employees receiving travelling allowance with the exception of the Municipal Manager, Section 57 Managers and fixed term contract employees who have the latitude of structuring their motor vehicle allowance.

14 REIMBURSED FOR OFFICIAL TRIPS TRAVELLED

Kilometers will only be reimbursed for official trips travelled outside Modimolle-Mookgophong boundaries.

15 FINANCING

- 15.1 Employees are expected to arrange for the financing of private vehicles at a financial institution of their choice.

14. CHOICE OF VEHICLE AND PURCHASE PRICE

- 14.1. The decision about the choice of a vehicle, which the employee prefers to use in the daily execution of work activities, rests with the employee, with the understanding that the type of vehicle shall comply with the purpose and requirements for the execution of the employee's official duties.

15. FORMALITIES, WHICH HAVE TO BE MET WHEN ALLOCATING CAR ALLOWANCE

- 15.1 The following documents must be submitted to HR division before an allowance can be paid:
- a) Certified copy driver's license.
 - b) Certified copy of vehicle registration certificate.
 - c) Purchasing contract of vehicle

16. EFFECTIVE DATE

This policy comes into effect on the date of approval by council.

17. RECORD KEEPING

All minutes and documents are kept on the employee's personal file.

18. DISPUTE RESOLUTION

In the event of any dispute as to the application of this policy the dispute shall be determined in accordance with applicable labour legislation and specifically the Labour Relations Act, 1995 (Act 66 of 1995) and the Councils conditions of employment.

19. IMPLEMENTATION AND MONITORING

This policy will be implemented and effective once recommended by all stakeholders and approved by Council.

20. COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

21. BUDGET AND RESOURCES

The employer shall provide the necessary resources for the implementation of this Policy.

22. PENALTIES

Non-compliance of any of the stipulations contained in this policy will be viewed as misconduct.

23. REVIEW

This policy will be reviewed and amended on an annual basis or each time any Act or Conditions of Service or other agreements deem it necessary. All proposed amendments will serve before Management Meeting for recommendations and the Council for approval.

24. STAKEHOLDERS

Municipal Manager recommends
EXCO recommend